Effective Vendor Engagement: Start the Conversation!

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Agenda

- Setting the Stage
- Government Myths along with Tips to Try
- Structuring the Contract
- Case Study
- Questions

Setting the Stage

- President's March 4, 2009 memo on Government Contracting
- OFPPs Top Priorities:
  - Strengthen acquisition workforce
  - Demonstrate fiscal responsibility
  - Rebalance our relationship with contractors
  - Improve communication

Setting the Stage (cont.)

- OMB's 25 Point Plan
  - Modular Contracting
  - Specialized IT Acquisition Cadres
  - Myth-Busting
    - Myth-Busting memo issued by OFPP on February 2, 2011
    - Myth-Busting 2 on the way!

And Don’t Forget These!

- Reduce Duplication
  - Learn how to use the GSA Schedules more effectively at http://www.gsa.gov/portal/category/100623
- Define Requirements Better
- Improve Competition
- Reduce High-Risk Contracts

But let’s get to today’s topic!

Acquisition Planning

Acquisition Planning – Fail to plan and you'll plan to fail. It's important to invest in planning.

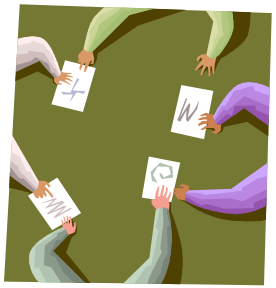
- ***MYTH***: Industry days and similar events attended by multiple vendors are of low value to industry and the government because industry won't provide useful information in front of competitors, and the government doesn't release new information. *FAR 15.201(c) specifically authorizes industry days and similar events as techniques to promote early exchanges of information. Other techniques: market research, presolicitation notices, draft RFPs, RFIs, presolicitation or preproposal conferences, and site visits.*

Acquisition Planning

- ***MYTH***: Conducting discussions negotiations/after receipt of proposals will add too much time to the schedule. *You need to do up front planning and partner with your customers.*

Industry comments – Govt should release draft RFP for industry comment; Govt should hold a vendor day 45 days prior to RFP release.

Acquisition Planning: Tips to Try



- Understand Your Customer
  - Organize your office by customer
  - Have periodic partnering meetings
- Share the Process
  - Help your customer understand the procurement process
- Incorporate Vendor Engagement into your Acquisition Milestones and Get Buy in from Stakeholders

Information Exchanges

Information Exchanges with Vendors – Share as much info as possible

- ***MYTH***: We can't meet one-on-one with a potential offeror. *FAR 15.201(c) specifically authorizes one-on-one meetings with potential offerors. Govt. comment – Meeting one-on-one with vendors gives them a competitive advantage.*
- ***MYTH***: If the government meets with vendors, that may cause them to submit an unsolicited proposal and that will delay the procurement process. *To the contrary, the unsolicited proposal process is separate from the process for a known agency requirement to be acquired competitively. FAR Subpart 15.6 governs the handling of unsolicited proposals.*

Information Exchanges

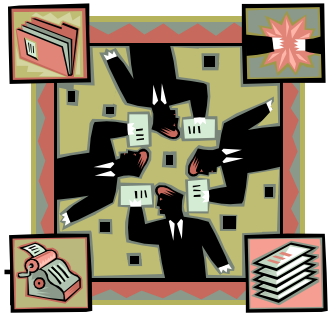
MYTH: A protest is something to be avoided at all costs---even if it means the government limits conversations with industry. *Restricting communication won't prevent a protest---it might actually increase the chance of a protest. In addition, it might deprive the government of useful information. In FY2010, there were 2299 protests: 19% were sustained, there were 61 GAO hearings. In FY2009, there were 1989 protests, 18% were sustained, there were 65 hearings. Govt. comment: There's no incentive to communicate – only risk. I don't get in trouble if I don't communicate – but I can get in trouble if I do. It's not worth the risk.*

Information Exchanges

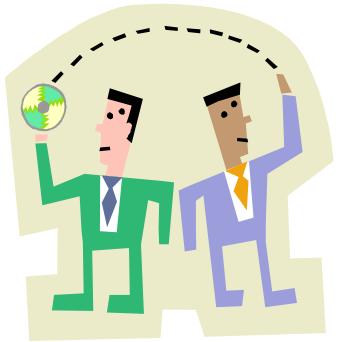
MYTH: When the government awards a task or delivery order using the Federal Supply Schedules, debriefing the offerors isn't required so it shouldn't be done. *FAR 8.405-2(d) requires the Contracting Officer to provide a "brief explanation"—but additional information is OK as long as proprietary information is not provided.*

Industry comment – Establishing a procurement library is a best practice because it puts all [p]otential offerors on a competitive and lev[el] playing field.

Information Exchanges: Tips to Try



- Encourage and Do a Sufficient Amount of Market Research to Effect a Better Acquisition Outcome
  - After Release of RFP, Contracting Officer is Focal Point of Information
  - Avoid Giving Any Vendor an Unfair Competitive Advantage
- During a Debrief, Give as Much Information as You Can to an Offeror About Its Own Proposal



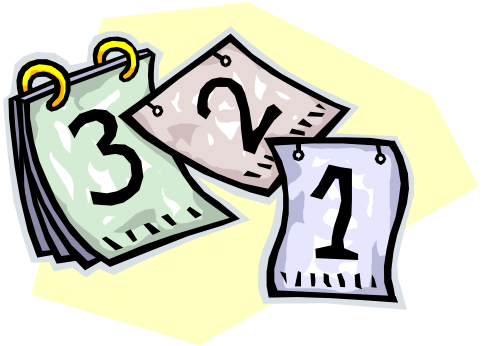
Increasing Competition

Strive for an open and competitive process, if that won't accomplish the agency's mission, minimize the risks associated with noncompetitive contracts.

MYTH: Getting broad participation by many different vendors is too difficult; we're better off dealing with the established companies we know. *In my experience, more competition is always better. Increasing communication with industry will let them self select out if they cannot provide the right solution, thereby saving themselves and you resources. It will also improve the quality of proposals you receive.*

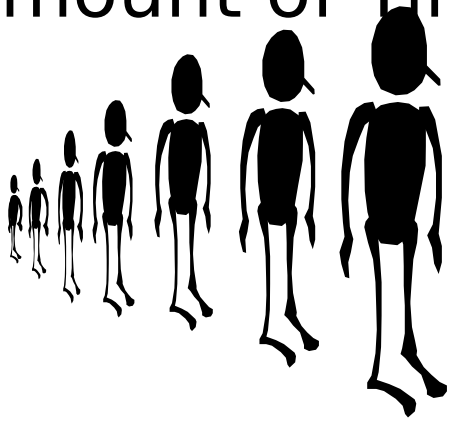
Increasing Competition

MYTH: Giving industry only a few days to respond to an RFP is OK since the government has been talking to industry about this procurement for over a year. *Industry cannot provide a good proposal without sufficient time to do so. On top of that, it gives the appearance that the agency does not want competition.*



Increasing Competition: Tips to Try

- Let Industry Know You are Interested in a Good Competition
- Issue a Draft Solicitation and/or RFI to Get Industry Comments
- Give Industry a Sufficient Amount of Time to Respond to the RFP

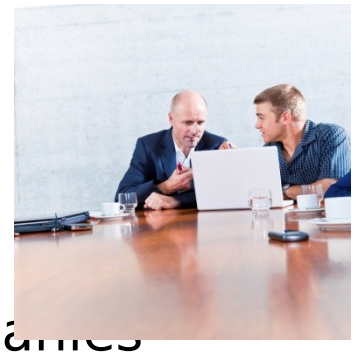


Industry-Friendly Contract Tips

- Make sure to develop clear requirements and to have Sections C, L and M properly aligned
- Develop a realistic milestone schedule and stick to it
- Have a colleague review your do
- Page limits are OK, but be reasonable
- Allow for e-submissions of proposals

Case Study

The Requirement: Acquire the services of an information technology contractor, referred to as the “Solutions Architect” (SA), to incrementally design, test, integrate, deploy, manage and operate and maintain an Integrated Operational Environment (IOE) to support the transformed business processes.



Market Research Methods

- Issued Request for Information (RFI)
- Held one-on-one sessions with selected companies
- Issued draft solicitation to solicit further comments
- Decided to use exisiting IDIQ contract

Solicitation

Two-Step Procurement

Phase 1

- Conceptual Solution and Relevant Experience
- Rough Order of Magnitude
- Oral presentations

Phase 2

- Funded Due Diligence Process
- Full Tech/Cost Proposal

Case Study

Due Diligence Process for Offerors

- Panel Discussions
  - Key stakeholders of the Transformation Program (e.g. IT panels, Human Capital panel, Privacy and Security Panel, etc.)
  - Senior Leadership
- One-on-One Discussions
  - Opportunity for Offerors to ask questions of the panel members without competitors present.
- Site visits to Operational Business Locations

Total Process took Three Months

Case Study

Proposal Submissions

- Cost and technical proposals were submitted upon completion of due diligence process

Discussions

- Technical and management discussion about approach

- Cost discussions to ensure all technical offerings were included to ensure realism

Questions?

- Contact me! I'd love to hear from you.

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